

EIGHTH
ANNUAL REPORT
OF
JEWEL TEA CO., INC.

1923

THE GREAT EAST

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JEWEL TEA CO., INC.

GENERAL OFFICES:
5 NORTH WABASH AVENUE
CHICAGO, ILLINOIS

DIRECTORS:

H. S. BOWERS	ARTHUR LEHMAN
RAYMOND E. DURHAM	HERBERT H. LEHMAN
JOHN M. HANCOCK	F. P. ROSS
M. H. KARKER	ARTHUR SACHS
O. B. WESTPHAL	

OFFICERS:

JOHN M. HANCOCK, President
O. B. WESTPHAL, Vice President
M. H. KARKER, Vice President
A. VERNON JANNOTTA, Secretary
F. M. KASCH, Treasurer
R. T. PURDY, Assistant Treasurer

TRANSFER AGENT:

IRVING BANK-COLUMBIA TRUST COMPANY, 60 Broadway, New York City

REGISTRAR:

LAWYERS TITLE & TRUST CO., 160 Broadway, New York City

AUDITORS:

TOUCHE, NIVEN & CO., Public Accountants
New York and Chicago

JEWEL TEA CO., INC.,

5 North Wabash Avenue,

Chicago, Ill., March 5, 1924.

To the Stockholders:

The eighth annual report, including the financial results of operations of your Company for the fiscal year ending December 29, 1923, and the balance sheet of that date, is herewith submitted.

The outstanding facts of the year, in comparison with the previous year, are:

A 22.6% increase in the total sales, or an increase of 22.3% in the sales per salesman.

The reduction of inventories in the amount of \$266,624.65, or 11.97%, concurrently with the increase of 22.6% in sales.

The repayment of all bank borrowings, a strong cash position, and well established credit.

The reduction of the deficit by the amount of \$833,160.20 to \$200,520.83.

Inventories are priced at cost or market, whichever is lower.

Due to the increased efficiency of the sales organization, the current losses on account of bad debts are being reduced, and there is no longer any need for the special reserve heretofore maintained. This reserve has been applied to the reduction of the deficit.

In 1917, 1918 and 1919 preferred stock to the amount of \$360,000 par value was purchased, retired and cancelled in accordance with the Company's Certificate of Incorporation. A special meeting of stockholders is being called to authorize a reduction in the Company's capital stock by this amount. I recommend that this action be taken so that statutory effect may be given to the action already taken in the retirement and cancellation of this stock.

A moderate program of expansion for the coming year is well under way.

JOHN M. HANCOCK, President.

AUG 30 1924

JEWEL TEA CO., INC.

BALANCE SHEET—DECEMBER 29, 1923

ASSETS

CURRENT ASSETS:

Cash	\$	510,322.70	
Accounts and Notes Receivable (less Reserve)		352,895.49	
Inventories:			
Products Merchandise	\$	1,548,892.74	
Premium Merchandise		411,696.60	
			1,960,589.34
Investment Securities		24,558.92	
Trust Fund Investments (Surety Deposits, per contra)		55,459.44	
			<u>\$ 2,903,825.89</u>

DEFERRED CHARGES:

Premium Merchandise (at Cost) Advanced to Customers (less Reserve)	\$	612,944.75	
Inventories of Expense Supplies		40,501.47	
Unexpired Insurance Premiums		19,559.13	
Improvement on Leased Premises		55,049.36	
			<u>728,054.71</u>

CAPITAL ASSETS (less Depreciation Reserves):

Machinery, Furniture and Fixtures at Plants	\$	297,897.72	
Delivery and Branch Equipment		438,519.56	

<u>GOODWILL</u>	\$	736,417.28	
		12,000,000.00	
			<u>12,736,417.28</u>

<u>DEFICIT, December 29, 1923</u>			200,520.83
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\$16,568,818.71

We have audited the books and accounts of the JEWEL TEA CO., INC., for the year ended December 29, 1923, and the account are in accordance therewith, and exhibit, in our opinion, a correct statement of the financial position of the company at the then ended.

CHICAGO, March 1, 1924.

A CO., INC.

DECEMBER 29, 1923

LIABILITIES

CURRENT LIABILITIES:

Letters of Credit and Acceptances.....	\$ 617,621.22	
Accounts Payable	126,144.11	
Accrued Wages, Taxes, etc.....	39,888.41	
Federal Income Tax (Estimated)	89,705.53	
Surety Deposits (Specific Funds, per contra)	55,459.44	
	<hr/>	\$ 928,818.71

CAPITAL STOCK:

Authorized and Issued—		
7% Cumulative Preferred Stock—40,000 Shares of \$100.00 Each...	\$ 4,000,000.00	
Whereof Retired and Cancelled.....	360,000.00	
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	\$ 3,640,000.00	
Common Stock—120,000 Shares of \$100.00 Each.....	12,000,000.00	
	<hr/>	15,640,000.00

CONTINGENT LIABILITY:

For Letters of Credit Issued Against Coffee on Contracts not Shipped at December 29, 1923.....	\$ 167,900.00
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Note:—Preferred Stock Dividend in Arrears since October 1, 1919; cumulative amount at December 29, 1923.....	\$ 1,082,900.00
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\$16,568,818.71

December 29, 1923, and hereby certify that the above balance sheet and accompanying deficit
financial position of the Company at that date and the results of its operations for the year

TOUCHE, NIVEN & CO.,
Public Accountants.

JEWEL TEA CO., INC.

DEFICIT ACCOUNT

DECEMBER 29, 1923

BALANCE, December 31, 1922.....		\$ 1,033,681.03
TOTAL EARNINGS FOR 1923.....	\$ 713,906.38	
Less Federal Income Taxes for 1923 (estimated).....	89,705.53	
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NET EARNINGS FOR THE YEAR.....	\$ 624,200.85	
ADD Balance of Special Reserve for Bad Debts not required.....	208,959.35	
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NET REDUCTION OF DEFICIT FOR YEAR 1923.....		833,160.20
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BALANCE, December 29, 1923.....		\$ 200,520.83
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STATE OF NEW YORK
SNOWDRIFT
STATE OF NEW YORK

1907

PROVINCIAL

AND LOCAL

LETTER
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HOLDEN, N. H.